NSC BRIEFING

l December 1954

SITUATION IN SOUTH VIETNAM

- I. Ouster of General Hinh.
 - A. His statement to Paris press
 he would return to Saigon
 "whatever Bao Dai's decision"
 presumably touched off dismissal.
 - B. But terms of dismissal indicate

 Bao Dai abandoning equivocal

 stand.
- II. Army-government reconciliation will not be automatic.
 - A. Hinh once said he would oppose Diem politically if fired.
 - B Boasted he could carry out
 - C. Had begun putting his men in key positions before leaving bailton.

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- D. Tension within army still high.
- E. Ely has feared Diem-Hinh
 dispute might be replaced by
 conflict between premier and
 General Vy, Hinh's replacement.
- F. Vy lacks Diem's confidence.
- III. Hinh is political lightweight, but backing of French elements offset this.
 - A. Hinh's French backers can switch to other anti-Diem champions.
 - B. French military has vested interest anti-Diem feeling in army, since Diem favors

 US takeover of training.
 - D. French radio in Salgon warns

 Viets against "heavy_hand"

 of US.

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- IV. Meanwhile, Viet Minh making capital in South.
 - A. Their shadow government extending control despite formal troop withdrawal.
 - B. This facilitated by widespread feeling Viet Minh takeover is mere matter of time.
 - C. Viet Minh troop evacuees convinced removal only temporary, satisfied to leave their dependents.

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